

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 OMB-01 CIAE-00 DODE-00 PM-04 H-01

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 /056 W

-----101323Z 124066 /44

R 101025Z FEB 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 5405

INFO AMEMBASSY SEOUL

COMUSJAPAN YOKOTA

CINCPAC HONOLULU HI

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CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: PINT, PFOR, JA, KS

SUBJECT: LOWER HOUSE BUDGET COMMITTEE INTERPELLATIONS

1. SUMMARY: THREE DAYS OF LOWER HOUSE BUDGET COMMITTEE HEARINGS ATTENDED BY FULL CABINET FOCUSED PRIMARILY ON BUDGET AND OPPOSITION DEMANDS FOR INCREASED TAX CUTS. SESSION STALLED BRIEFLY OVER CONSTITUTIONAL SQUABBLE AS TO WHETHER DIET HAD RIGHT TO REVISE BUDGET. KCIA QUESTION WAS RAISED. THUS FAR, PRIME MINISTER SEEMS TO HAVE HANDLED HIMSELF WELL AND ONLY MINIMAL AMOUNT OF TIME HAS BEEN LOST. END SUMMARY.

2. THREE DAYS OF LOWER HOUSE BUDGET COMMITTEE DEBATES, FEBRUARY 7-9, FOCUSED ALMOST ENTIRELY ON BUDGET PROPER, INCLUDING OPPOSITION PARTY DEMAND THAT GOJ AGREE TO AMENDMENT TO PROVIDE FOR ONE TRILLION YEN (\$3.3 BILLION) TAX REDUCTION. PRIME MINISTER CONTINUED TO STONEWALL ON TAX REDUCTIONS AND DELIBERATIONS BROKE DOWN BRIEFLY

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WHEN KOMEITO INTERPELLATOR SAID THAT, IF GOJ POSITION WAS THAT DIET HAD NO RIGHT TO AMEND BUDGET, THERE WAS NO POINT IN TALKING FURTHER AND DEMANDED A FORMAL GOVERNMENT DECISION ON ISSUE. GOJ OFFERED STATEMENT WHICH ALL BUT DENIED DIET RIGHT TO AMEND GOVERNMENT BUDGET DRAFT. OPPOSITION HAS CALLED GOVERNMENT ANSWERS UNSATISFACTORY, BUT FOR MOMENT APPEARS UNWILLING

TO PURSUE ISSUE AND TAKE ON ONUS OF DELAYING BUDGET  
PASSAGE.

2. KOREAN CONNECTION CAME UP BRIEFLY WHEN JCP LOWER  
HOUSE MEMBER KUDO FEBRUARY 9 ASKED WHETHER THERE WAS ANY  
TRUTH IN REMARKS ATTRIBUTED TO RANARD THAT, FOLLOWING  
SEPTEMBER 1973 US-ROK SECURITY CONSULTATIONS IN SEOUL,  
THEN DEPUTY ASSISTANT SECRETARY SNEIDER HAD STOPPED IN  
TOKYO FOR MEETING WITH FORMER VICE FOREIGN MINISTER  
HOGEN AND THAT RANARD HAD MET AT SAME TIME WITH ASIA  
BUREAU DIRECTOR TAKASHIMA. FONMIN HATOYAMA RESPONDED  
THAT NEITHER SNEIDER NOR HOGEN HAD ANY RECOLLECTION OF  
SUCH A MEETING AND THAT RANARD HAD HAD NO SPECIAL MEETING  
WITH TAKASHIMA, BUT HAD MERELY PASSED THROUGH TOKYO EN  
ROUTE HOME. HATOYAMA DENIED KUDO ALLEGATION THAT ANY  
SUCH MEETINGS MIGHT HAVE BEEN CONECTED WITH KIM DAE-JUNG  
INCIDENT.

3. COMMENT: PRIME MINISTER FUKUDA SEEMS TO HAVE  
WEATHERED THIS DIET PHASE IN GOOD FORM. ONE OPPOSITION  
DIETMAN, IN FACT, COMMENTED TO EMBOFF THAT FUKUDA HAD  
BEEN VERY DEXTEROUS AT HANDLING INTERPELLATIONS; HIS  
ONLY FAULT WAS IN TRYING TO CARRY WHOLE BURDEN WITHOUT LETTING  
OTHER CABINET MINISTERS SPEAK OUT.

4. IT IS TOO EARLY TO TELL WHETHER OPPOSITION WILL BE  
ABLE TO SQUEEZE TAX-CUT CONCESSIONS FROM GOJ. WHILE  
THERE IS STRONG FEELING IN LDP THAT SUCH CONCESSIONS  
WOULD SET UNACCEPTABLE PRECEDENT, MINOR CONCESSIONS  
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COULD BECOME NECESSARY TO AVOID DELAYS. ONE LDP  
DIRECTOR OF LOWER HOUSE BUDGET COMMITTEE TOLD US HE FELT  
REASONABLY CONFIDENT THAT, BARRING KCIA REVELLATIONS IN-  
VOLVING A CABINET MINISTER, BUDGET WOULD BE PASSED BY  
MARCH 15. PERHAPS MOST STRIKING THING ABOUT THREE-DAY  
COMMITTEE SESSION IS THAT IN CONTRAST TO PAST PRACTICE  
FOREIGN AFFAIRS, INCLUDING US-JAPAN SECURITY RELATIONSHIP,  
RECEIVED SO LITTLE ATTENTION.  
SHOESMITH

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Executive Order:** N/A  
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**Review Markings:**  
Margaret P. Grafeld  
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